
NEW ORLEANS CITY PARK
TAXING DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2012



A Professional Accounting Corporation

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of
The New Orleans City Park Taxing District

We have compiled the accompanying financial statements of the governmental activities and each major fund of the New Orleans City Park Taxing District (the District), a component unit of the New Orleans City Park Improvement Association, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The management's discussion and analysis and budgetary comparison information, on pages iii through vi and page 7, respectively, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Postlethwaite & Netterville

New Orleans, Louisiana
September 28, 2012

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

This report offers readers of these financial statements an overview and analysis of the financial activities of The New Orleans City Park Taxing District (the District). This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the District's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

- The District's net assets balance on the government-wide basis was \$262,565 at June 30, 2012, an increase of \$127,474 compared to June 30, 2011.
- Sales tax revenues increased by \$3,031 for the year ended June 30, 2012 compared to the year ended June 30, 2011.
- The general fund reported an excess of revenues over expenditures of \$127,474 for a total ending fund balance at June 30, 2012 of \$262,565.
- Total cash amounted to \$284,488 at June 30, 2012, an increase of \$152,874 over the beginning of the year amount.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. This report also contains other supplementary information to provide greater detail of data presented in the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to be similar to private-sector business. These statements combined the District's current financial resources with capital assets and long-term obligations.

The Statement of Net Assets column on the Governmental Fund Balance Sheet / Statement of Net Assets on page 1 presents information of all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or declining.

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

The Statement of Activities column on the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance on page 2 presents information showing how the District's assets changed during the most recent fiscal year. All changes in net assets are reported on an accrual basis, which requires that all changes be recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus of the Statement of Activities is on both the gross and net cost of various activities, which are provided by the District's sales taxes and other revenues. This is intended to summarize information and simplify the user's analysis of the cost of various governmental services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's fund is a governmental fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found on pages 3 through 6 of this report.

Required Supplementary Information

Required supplementary information can be found on page 7 of this report. The supplementary section is included for additional information and analysis and do not constitute a part of the compiled financial statements.

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$135,090 at June 30, 2012.

The District's net assets are subject to external restrictions on how they may be used.

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current assets	\$ 321,413	\$ 163,683
Total assets	<u>321,413</u>	<u>163,683</u>
Current liabilities	<u>58,848</u>	<u>28,592</u>
Total liabilities	<u>58,848</u>	<u>28,592</u>
Net assets:		
Restricted	<u>262,565</u>	<u>135,091</u>
Total net assets	<u><u>\$ 262,565</u></u>	<u><u>\$ 135,091</u></u>

There was an increase of \$127,474 in restricted net assets resulting from sales tax revenues.

	<u>For the year ended June 30,</u>	<u>2012</u>	<u>2011</u>
General revenues:			
Sales taxes	\$ 190,476	\$ 187,445	
Expenses:			
Economic development	61,502	182,000	
Administration	<u>1,500</u>	<u>-</u>	
Change in net assets	127,474	5,445	
Net assets, beginning of year	<u>135,091</u>	<u>129,646</u>	
Net assets, end of year	<u><u>\$ 262,565</u></u>	<u><u>\$ 135,091</u></u>	

Sales tax revenues increased in 2012 by \$3,031, or 2%, more than in 2011.

NEW ORLEANS CITY PARK TAXING DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use as they represent the portion of fund balance which has not been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District.

The general fund is the chief operating fund of the District. As of June 30, 2012, the District's general fund reported an ending fund balance of \$262,565, an increase of \$127,474 in comparison with the prior year. This entire amount is reserved, indicating that it is not available for new spending because it has already been committed for economic development. The increase in fund balance is due primarily to sales tax revenues which exceed expenditures for administration.

Final Amended Budget

The final budget and actual comparisons are on page 7. The District began receiving sales tax revenue for the fiscal year ending June 30, 2009 and began spending funds for economic development during the year ended June 30, 2011. Due to the absence of historical data, the Board approved a zero dollar budget for the year ended June 30, 2012.

Economic Factors and Next Year's Budget and Rates

There are several uncertainties with the District as well as the City of New Orleans related to sales tax revenue during the next several years. The District will budget sales tax revenue using prior year information. The District foresees sufficient revenues to allow for addressing its primary objectives and continuing development of new programs as needed.

Contacting the District's Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the administration at 1 Palm Drive, New Orleans, Louisiana 70124 or 504-483-9482.

NEW ORLEANS CITY PARK TAXING DISTRICT
GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>			
Cash and temporary cash investments	\$ 284,488	\$ -	\$ 284,488
Due from other governments	36,925	-	36,925
Total assets	<u>\$ 321,413</u>	<u>\$ -</u>	<u>\$ 321,413</u>
<u>LIABILITIES</u>			
Accounts and other payables	\$ 58,848	\$ -	\$ 58,848
Total liabilities	<u>\$ 58,848</u>	<u>\$ -</u>	<u>\$ 58,848</u>
<u>FUND BALANCES / NET ASSETS</u>			
Fund balance:			
Restricted for economic development	\$ 262,565	\$ (262,565)	\$ -
Total fund balance	<u>262,565</u>	<u>(262,565)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 321,413</u>		
Net assets:			
Restricted for economic development		262,565	262,565
Total net assets		<u>\$ 262,565</u>	<u>\$ 262,565</u>

See accompanying notes and independent accountants' report.

NEW ORLEANS CITY PARK TAXING DISTRICT
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<u>Expenditures / expenses</u>			
Economic development	\$ 61,502	\$ -	\$ 61,502
Administration	1,500	-	1,500
Expenditures / expenses	<u>63,002</u>	<u>-</u>	<u>63,002</u>
Net program expense			(63,002)
<u>General Revenue</u>			
Sales taxes	190,476	-	190,476
Total general revenues	<u>190,476</u>	<u>-</u>	<u>190,476</u>
<u>Excess of revenues over expenditures</u>	127,474	(127,474)	-
<u>Change in net assets</u>	-	127,474	127,474
<u>Fund balance / net assets</u>			
Beginning of the year	135,091	-	135,091
End of the year	<u>\$ 262,565</u>	<u>\$ -</u>	<u>\$ 262,565</u>

See accompanying notes and independent accountants' report.

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

1. Summary of Significant Accounting Policies

Background

Act 266 of 2007 of the State of Louisiana Legislature, created a special taxing district designated "the New Orleans City Park Taxing District" (the District), comprised of all the same territory as the area known as New Orleans City Park.

City of New Orleans Ordinance No. 23010 on December 18, 2007, agreed to the designation of the local sales and use taxes to be used in determining the sales tax increment for the New Orleans City Park Taxing District, pledging and dedicating such sales tax increment to the New Orleans City Park Taxing District for economic development purposes and authorizing such increments to be collected and deposited into a special trust fund to be held by the New Orleans City Park Taxing District for economic development projects in New Orleans City Park.

The Financial Reporting Entity

Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, (GASB 14) established standards for defining and reporting on the financial entity. GASB 14 indicates the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that meets all of the following criteria: a) has a separately elected governing body, b) is legally separate, and c) is fiscally independent of other state and local governments.

For financial reporting purposes, the District is a component unit of the New Orleans City Park Improvement Association. As such, the financial statements of the District are included in the financial statements of the New Orleans City Park Improvement Association. All activities of the District are included in this report.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets column on the Governmental Fund Balance Sheet / Statement of Net Assets and the Statement of Activities column on the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) report information on all activities of the District.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues in the year for which they are related.

Governmental fund financial statements (i.e., the District's General Fund column on the Governmental Fund Balance Sheet / Statement of Net Assets and the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Those revenues susceptible to accrual, such as sales taxes, are recorded as revenue in the year for which they are related.

The District reports the following major governmental fund:

General Fund – The General Fund is the District's primary operating fund. It accounts for all financial resources.

The District has adopted the provisions of GASB 33 (*Accounting and Financial Reporting for Non-Exchange Transactions*) effective for fiscal years that began after June 15, 2000.

Under GASB 33 standards, the District recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

- The District recognizes assets and liabilities when all applicable eligibility requirements are met or resources received, whichever is first;
- Revenue and expenses are recognized when all applicable, eligibility requirements are met;
- For transactions with time requirements, resources received prior to the satisfaction of the time requirement(s) are recorded by the District as revenue upon award.

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Fund Balance

Fund balance of governmental funds is reported in categories based on the nature of the limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). In the governmental fund financial statements, the fund balance is classified as restricted. Restricted fund balance includes amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Assets

Net assets are displayed in two components in the government-wide financial statements:

Restricted net assets - consists of net assets with constraints placed on use by law through constitutional provisions or enabling legislation.

Unrestricted net assets - consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of accumulated depreciation."

NEW ORLEANS CITY PARK TAXING DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

2. Deposits and Investments

Cash and temporary cash investments include amounts in demand deposit accounts as well as short-term cash investments. At June 30, 2012, the bank balance and the carrying amount of the District's deposits was \$284,488. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it under state law. All of the District's deposits are secured by federal depository insurance.

3. Sales Taxes

Act No. 266 of the 2007 Regular Session of the Louisiana Legislature, stated that the District must designate the local sales and use taxes to be used to determine the sales tax increment (the "Increment") to be pledged and dedicated to the payment of economic development projects of the District. Pursuant to Board Resolution adopted on December 18, 2007, the District designated the local sales and use taxes as those sales taxes paid at, by, or in connection with activities which generate sales taxes within the District which are the City's aggregate 2.5% sales and use taxes collected on the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption of tangible personal property. The Increment is the amount of sales taxes to be collected in the District in excess of the Initial Annual Baseline Collection Rate which is \$83,543.00 for the annual baseline collection rate, and \$6,961.92 for the monthly baseline collection rate.

4. Related Organization

Two members of the District's Board of Commissioners are members of the Board of New Orleans City Park Improvement Association. Neither member receives any form of compensation from either of these organizations.

5. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and material disasters for which the District carries errors and omissions and natural disaster commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

6. Revenue Concentration

The District's current principal source of revenues consists mainly of sales tax revenue.

7. Budget

The District began receiving sales tax revenue for the fiscal year ending June 30, 2009 and began spending funds for economic development during the year ended June 30, 2011. Due to the absence of historical data, the Board approved a zero dollar budget for the year ended June 30, 2012.

NEW ORLEANS CITY PARK TAXING DISTRICT
SCHEDULE OF REVENUES AND EXPENSES---BUDGETED AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues:				
Sales taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,476</u>	<u>\$ 190,476</u>
Total operating revenues	<u>-</u>	<u>-</u>	<u>190,476</u>	<u>190,476</u>
Operating Expenses:				
Economic development	<u>-</u>	<u>-</u>	<u>63,002</u>	<u>63,002</u>
Total operating expenses	<u>-</u>	<u>-</u>	<u>63,002</u>	<u>63,002</u>
Net operating income	<u>-</u>	<u>-</u>	<u>127,474</u>	<u>127,474</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,474</u>	<u>\$ 127,474</u>

See independent accountants' report.